

## State Regulatory and Statutory Practices Summary

- 1 state provides that the proposed rates may be placed into effect, subject to refund, and orders are issued under statutory time constraints. Order to be issued within 10 months.
- 4 states provide that an interim rate increase may be placed into effect, subject to refund, and orders are issued under statutory time constraints. Orders to be issued from 6 to 12 months.
- 2 states provide that the proposed rates automatically go into effect, not subject to refund, and orders are issued under statutory time constraints. Orders to be issued from 6 to 12 months.
- 1 state provides that an interim rate increase may be placed into effect, subject to refund, however a financial emergency must exist and orders are issued under statutory time constraints. Orders to be issued within 9 months.
- 6 states provide that an interim rate increase may be placed into effect, subject to refund, and orders are issued under regulatory time constraints. Orders to be issued from 6 to 12 months.
- 11 states provide that an interim rate increase may be placed into effect, subject to refund, however a financial emergency must exist and orders are issued under regulatory time constraints. Orders to be issued from 8 to 11 months.
- 5 states provide that the proposed rates may be placed into effect, subject to refund, and orders are issued under regulatory time constraints. Order to be issued from 4 to 6 months.
- 4 states provide that the proposed rates automatically go into effect permanently if no decision is made, and orders are issued under regulatory time constraints. Orders to be issued from 10 to 13 months.
- 1 state provides that the proposed rates automatically go into effect if no decision is made, subject to refund, and orders are issued under regulatory time constraints. Order to be issued within 7 months.
- 1 state provides that an interim increase becomes permanent if final decision is not issued within 10 months, and may implement the remainder of any requested increase, subject to refund. Order to be issued under regulatory time constraints.
- 1 state provides that rates may not be placed into effect subject to refund, and orders are issued under regulatory time constraints.

## Matrix of States' Regulatory Practices

State	Mandatory Action Periods	Revenues Subject to Refund	Test Year	Average Regulatory Lag
Arkansas	Commission must decide a rate case within 10 months of the filing. By law, the Commission must issue a decision within 60 days of a request for an interim increase.	If the Commission has not issued a final decision for the rate case at the end of the 10 month period, the company may place the proposed rates into effect, under bond and subject to refund. Also, interim surcharges may be implemented subject to refund.	Test period may consist of six months of actual and six months of projected data at the time of the filing. Commission is required to consider "known and measurable" changes for the 12 months following the end of the test period.	Commission must decide a rate case within 10 months of the filing.
Delaware	Utilities may place modest interim rate hikes into effect, under bond, 60 days after the filing date.	If the Commission has not issued a final decision for the rate case at the end of the 7 month period, the company may place the requested increase (that does not exceed 15%) into effect, subject to refund.	Commission relies on an average rate base for a test period that is partially forecast at the time of the filing. Known and measurable adjustments to test period data are permitted.	Commission attempts to complete rates cases within 7 months of the filing.
District of Columbia	There is no statutory time limit within which the Commission must act on rate cases; however the Commission has set 9 months for completing such proceedings.	Interim rate hikes may be implemented subject to refund if a financial emergency exists.	Commission relies on an average original-cost rate base and has allowed filings based upon partially-forecasted data.	There is no statutory time limit within which the Commission must act on rate cases; however, the Commission has set 9 months for completing such proceedings.
Florida	A requested increase becomes effective at the expiration of a 60 day period unless suspended by the Commission. The Commission is permitted to suspend a rate case for a maximum of 8 months from the filing date. In most cases the Commission issues verbal decisions 1 month prior to the end of the 8 month suspension period and the final written order issued near the end of the 8 month period.	Any interim increase is collected subject to refund.	Commission generally relies on an average original-cost rate base. In permanent rates cases, the Commission generally utilizes test period that are fully or partially forecasted at the time the rate decision are issued. The Florida Supreme Court has upheld the right of the Commission to used projected data in deciding rate cases.	8 months.

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Georgia	Utility must give 30 days notice when filing for a rate increase. The Commission may suspend the proposed rate increase for a maximum of 5 months, bringing the total elapsed time to 6 months.	If no action has come from the Commission at the end of the 6 month period, the utility may place the into effect under bond and subject to refund.	Statutes require electric and gas companies to file rate cases based on projected data. The electric rate case test years must be partially forecasted at the time of decision, whereas the test periods for gas companies must be fully forecasted at the time of a rate decision.	6 months.
Hawaii	There is no statutory time limit within which a rate case must be completed. However, the Commission is legislatively required to "make every effort" to issue a decision within 9 months following the filing date. An interim increase is required within 1 month after the expiration of the 9 month period to reflect any increase to which the Commission believes the utility is entitled.	Interim increases are subject to refund with interest.	Commission rules provide for rate cases that are filed between January and June to be based on a 12 month period ending June 30 of the following year, and rate cases filed between July and December to be based upon a test year ending December 31 of the following year.	Most recent rate cases have been well over a year in duration.
Illinois	Utility rate case decision must be issued within 11 months of filing. Interim rate increases are allowed only after a strong showing of financial need by the utility.	Interim rate increases are allowed and are collected subject to refund.	Rate cases may be based on historical, current or future test years.	Utility rate case decision must be issued within 11 months of filing.
Indiana	No statutory time limit for Commission action on rate cases, the Commission has established a 10 month target for decision in major cases. The Commission may authorize interim rate increases if a financial emergency exists.	Interim rate increases are subject to refund under an emergency situation.	Rate cases have generally been decided on the basis of a historical test period, with adjustments for known and measurable changes expected to occur within 1 year after the end of the test period.	Commission has established a 10 month target for decisions in major cases.

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Iowa	Commission is required to render a final rate case decision within 10 months of the filing date, but may extend the case by 6 months to resolve new generating capacity issues. Commission must act on a petition for an interim increase within 90 days of the filing. If the Commission does not issue a final decision in 10 months, any interim increase becomes permanent, and the company may implement the remainder of any requested increase, subject to refund.	The implementation of the remainder of any requested increase is subject to refund.	Commission utilizes an average original-cost rate base for a historical test period, with adjustments for known and measurable changes, within 12 months from the filing date.	Commission is required to render a final rate case decision within 10 months of the filing date.
Kentucky	Utilities must notify the Commission of the filing of their rate case at least 4 weeks prior to filing. The Commission can suspend rates for up to 6 months from the proposed effective date. If the Commission does not issue a final order within 10 months of the original date of the filing, the proposed rates become permanent.	If the Commission has not issued a final decision in the 6 months the proposed rates are put into effect, subject to refund.	Commission generally utilizes a historical test period for known and measurable changes. However, statutes permit utilities to forecast test periods.	Can range from 6 to 10 months.
Louisiana	The Commission is constitutionally required to act on a rate case within 1 year of the filing date. Interim rate changes may be authorized.	If the Commission does not act within 1 year, the utility may implement a proposed rate increase, under bond and subject to refund. Also, if interim rate changes are authorized, they are subject to refund.	Commission generally relies on an average net original-cost rate base for a historical test period.	The Commission usually decides rate cases within 6 to 12 months.

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Maine	A large utility must give 60 day notice to filing for an increase in base rates and a company must file at least 30 days prior to the requested effective date. Interim increases are permitted if the Commission finds that the utility will experience financial harm.	The Commission may implement interim rates, subject to refund.	Commission generally relies on an average net original-cost rate base for a historical test period.	The Commission may suspend rates for a maximum of 8 months unless good cause is shown, resulting in a maximum rate case processing time of 9 months from the date of filing.
Maryland	Utility is required to give 30 days notice when filing for a rate change. The Commission may allow interim rate changes, however the utilities have rarely requested such action.	If there is no Commission action after 210 days, the utility may place the rates into effect, subject to refund.	The Commission relies on test periods that are fully historical at the time rate decisions are issued. Filings are usually based on partially forecasted data, which is updated to actual during the course of the proceeding.	The Commission may initially suspend rates for 150 days beyond the 30 day notice period and then for an additional 30 days.
Michigan	There is no specific time period in which the Commission must issue decision, however, there is statutory guidance indicating that the Commission should issue decision within 9 months. A Public Service Commission Administrative Guideline calls for all cases to be completed within 9 months from the date of filing unless good cause exists to extend the schedule to 12 months.		Most rate cases are based on fully-forecasted test periods, but the test periods have been partially historical at the time decisions have been issued.	Can range from 9 to 12 months.
Mississippi	The Commission must decide a rate case within 120 days of the filing of a Notice of Intent. Interim increases are rarely authorized.	If a decision is not forthcoming within the prescribed time, the full requested increase may be implemented, under bond, on a temporary basis.	By law, a utility may propose a rate change using a projected test period beginning with the proposed effective date of the new rates.	120 days.

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Missouri	If the Commission has not issued a final decision within 11 months of the initial filing, the proposed rates become effective as filed and are not subject to refund.		Rate cases are typically filed based on historical or partly forecasted test period data, which are updated during the course of the proceeding to reflect actual results. Limited post test period known and measurable changes may be recognized.	11 months.
Montana	Commission must issue a final decision in a rate case within 9 months of the date of the filing.	If no order is issued, the utility may place the rates into effect, subject to refund.	Commission relies on historical test period, adjusted for known and measurable changes within 12 months beyond the end of the test period.	Commission generally issues interim rate changes within 2 to 4 months after the date of the filing, however final decision must be made within 9 months.
Nevada	Commission must act within 30 days of a rate case filing to suspend it for a maximum 5 month period. If the Commission does not issue a final order at the end of the total statutory period, the rates become effective.		Commission relies on test periods that are less than 1 year old by the date of the decision.	6 months.
New Jersey	A utility is required to give 30 days notice of the proposed effective date of a rate filing. The Commission may suspend the rates for up to 8 months.	The Commission may allow utilities to implement interim increases, however, a finding of irreparable harm is generally required.	Test period is fully historical when the rate decision is issued. Most cases are filed on the basis of partly projected data, with known and measurable changes.	8 months.
New Mexico	Commission must act to suspend proposed rates within 30 days of a rate filing or the tariffs become effective. If the Commission does not issue a final decision 3 months after the original 10 month period, the rates become permanent and are no longer subject to refund.	If the Commission does not render a decision within 10 months of the filing, the rates may be placed into effect, under bond and subject to refund.	Historical test period, adjusted for known and measurable changes.	Can range from 10 to 13 months.

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New York	The Commission must issue a decision within 11 months of the Company's initial filing.	Interim rate increases are permitted only when a utility can establish that its ability to raise additional capital and to maintain service would be impaired in the absence of the increase.	Fully forecasted test period.	The Commission must issue a decision within 11 months of the Company's initial filing.
North Carolina	Utility must submit the rate petition 30 days prior to the requested effective date. The Commission is required to act within 9 months of the requested effective date.	If there is no Commission action within 6 months, the rates may be placed into effect (not to exceed 20% increase), under bond and subject to refund.	Historical test period, adjusted for known and measurable changes.	Can range from 6 to 10 months. The Commission has acted on permanent rate requests within the 6 month period.
North Dakota	Commission must act to suspend proposed rates within 30 days of a utility's filing. The Commission has 7 months from the date of suspension to issue a final order.	The Commission may allow interim increases, to be implemented under bond and subject to refund with interest.	Statutes permit filing rate cases utilizing a historical, current, or future test period. Historically the Commission has adopted test periods that were partially or fully-forecasted at the date of decision.	Maximum period is 8 months.
Ohio	A utility is required to give 30 days notice prior to requesting a rate increase. A utility may not tender a Notice of Intent to file a new rate case until the Commission has completed action on a previous case or until 275 days have elapsed since the filing of a prior application, whichever occurs sooner.	The Commission may allow an interim increase if the utility demonstrates the existence of a financial emergency.	Statutes require that the test year conclude within 9 months after the filing of a rate case. The Commission denies recognition of adjustments that do not become known within the test period.	
Oklahoma	By law, the Commission must issue a decision within 180 days of the filing of a rate case. Interim rate increases are permitted at the Commission's discretion.	Interim increase are permitted at the Commission's discretion.	The Commission has generally relied on a year end rate base for a historical test period, with known and measurable changes occurring within 6 months of the end of the test year.	6 months.

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Oregon	Within 30 days following the rate filing, the Commission may suspend a requested increase for an initial period of not more than 6 months. The Commission may then suspend rates for an additional 3 months, bringing the maximum rate case processing time to 10 months from the date of filing. The Commission is legislatively able to approve interim rates, however, interim increases are generally not granted unless the utility is under severe financial stress.	The Commission is legislatively empowered to approve interim rates. However, interim increases are generally not granted "unless the utility is under severe financial stress."	Recent rate proceedings have generally used partially or fully forecasted test periods. The Commission has also adopted pro forma normalizing adjustments to the test year.	Can range from 6 to 10 months.
Pennsylvania	Utility is required to provide 60 days notice when filing a rate case. The filing is then suspended for up to 7 months, bringing the maximum elapsed time from filing to decision to 9 months. A utility may seek an interim increase to maintain financial stability and service reliability.	A utility may seek an interim increase if necessary to maintain financial stability and service reliability.	In accordance with state statutes, the Commission relies on an original cost year-end rate base, for a future test year.	9 months.
Rhode Island	The Commission must suspend rate cases within 30 days of the date of filing or proposed rates become effective. The maximum suspension period is 6 months. The Commission must issue a final order within 90 days of the end of hearings.	The Commission has statutory authority to permit interim increases, subject to refund, but has rarely done so.	The Commission has generally relied an average original cost rate base for a historical test period for "known and measurable" changes to a forward looking rate year.	7 months from the date of filing.



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South Dakota	By statute, the PUC staff must issue rate case decisions within 6 months of the filing date. After 6 months, the utility may implement the proposed rates subject to refund. An order must be issued within 1 year of the filing date or interim rates become permanent.	After 6 months, the utility may implement the proposed rates subject to refund.	The PUC has relied on an average original cost rate base for a historical test period, but has permitted certain known and measurable post-test year adjustments.	6 months.
Tennessee	The Commission must act upon a rate case within 9 months after filing. If no rate action has occurred after 6 months, the utility may place the proposed rates into effect, subject to refund. Historically, rate cases have been decided in 6 months. The Commission has authority to grant interim increase if a financial emergency exists, but has rarely done so.	The Commission has authority to grant interim increases if a financial emergency exists, but rarely does so.	Historical test years and average rate base valuations have usually been relied upon. Also, known and reasonably anticipated changes are allowed.	Can range from 6 to 9 months.
Texas	A utility is required to submit a complete filing 35 days prior to the proposed effective date. The Commission may suspend the rate increase for 150 days from the proposed effective date, bringing the total elapsed time from the date of the filing to 185 days. If no decision is forthcoming, the proposed rates may be placed into effect subject to refund. The 185 day period may be extended by 2 days for each day of hearings beyond 15 days.	If no decision is forthcoming, the proposed rates may be placed into effect subject to refund.	The Commission has generally relied on a year end original cost rate base for a historical test period with adjustments permitted for post test year plant additions and retirements, under certain circumstances. However, the electric unbundled rate cases required by the 1999 restructuring law utilized a forecast test period.	6 months.

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Vermont	Investor-owned utilities are permitted to place requested rates into effect if the Commission has not acted within 7 months of the effective date of the proposed tariffs. A utility must provide 45 day notice from the filing date to proposed effective date when filing a rate case. Temporary increases are permitted.	If the Commission does not act to deny a temporary rate request, the proposed increase may be placed into effect, subject to refund.	The Commission has generally relied on an average original cost rate base for a historical test period for "known and measurable" adjustments for the first year the rates will be in effect.	7 months.
Virginia	The Commission may suspend rates for no more than 150 days from the date a general rate case filing is determined to be complete. The Commission adopted updated rate case rules on 7/28/00. The rules continue to provide for expedited rate proceedings, which are essentially make-whole proceedings, and are allowed once per year.	If not decision is forthcoming within 150 days, the utility may place the entire rate increase into effect, subject to refund with interest.	The Commission relies upon a year end original cost rate base for a historical test period, with materials and supplies valued on a 13-month average basis.	5 months.
Washington	A utility is required to provide a minimum of 30 days notice prior to the effective date of the proposed rate increase. The Commission may suspend rates for a maximum of 10 months from the proposed effective date. In the event the Commission has not issued an order within the 10-month suspension period, and if the suspension period has not been waived, the rate changes becomes effective on a prospective basis.		The Commission generally relies upon average original-cost rate base valuations for test periods which are approximately 1 year old at the date of decision. The Commission commonly adjusts test periods for known and measurable changes. The Commission has, at times, adopted attrition allowances, positive or negative.	10 months.

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West Virginia	A utility must notify the Commission 30 days prior to filing for a rate increase, and the application must be filed 30 days prior to the proposed effective date. The Commission may suspend the filing for up to 270 days from the proposed effective date. If an order is not issued by the end of the suspension period, the proposed rates may be implemented, without refund obligation.	Interim increases are permitted, subject to refund, at the Commission's discretion.	The Commission has traditionally relied upon an average original-cost rate base for a historical test period, but permits "known and measurable" post-test year adjustments.	9 to 10 months.
Wisconsin	There is no statutory time limit within which the Commission must act on rate cases, however, the Commission has decided most recent case in less than 1 year.	Interim rate increase may be permitted subject to refund.	The Commission generally relies on an average original-cost rate base for a fully-forecasted test period.	1 year or less.
Wyoming	The Commission is required to issue a rate case decision within 10 months of the original filing date.	The Commission has authority to grant temporary increases, under bond and subject to refund; however, such increases have only been authorized following a showing of an immediate financial need.	The Commission generally relies upon a year-end original-cost rate base for a historical test period, updated to reflect known and measurable changes. However, the use of a forecasted test year is not prohibited by law.	10 months or less.